

FISCAL NOTE

Bill #: SB0287

Title: Funding for managing water-based recreation

Primary Sponsor: Sprague, M

Status: As Amended in House Committee

Sponsor signature _____ Date _____

Chuck Swysgood, Budget Director _____ Date _____

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$922	\$0
State Special Revenue	\$165,284	\$384,820
Federal Special Revenue	\$18,675	\$24,850
Revenue:		
General Fund	\$133,741	\$167,675
State Special Revenue	\$238,697	\$381,083
Federal Special Revenue	\$18,675	\$24,850
Net Impact on General Fund Balance:	\$3,762	\$5,872

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Fish, Wildlife and Parks

1. There were 65,850 motorized boats on file in Montana and, of those, 51,289 were registered in 2002.
2. Revenue from motorboat decals referenced in the bill would raise \$153,867 in new revenue. (\$3.00 x 51,289) However, \$129,057 in FY 2004 and \$161,803 in FY 2005 will be available to FWP due to the Department of Revenue calculation for transfer payments, which is based on the calendar year, and is discussed further in assumption # 21 and # 22.
3. Non-resident, non-motorized boating use, and therefore decal sales, would be negligible.
4. Within the state there is one non-motorized vessel (as defined in the bill) for each motorized vessel.
5. Based on a five-year average of motorized boats, only 74 percent of all boats are registered from year to year.
6. Based on the amendment to make the non-motorized boat decal transferable, it is assumed that 10 percent of non-motorized boat owners have multiple boats and will need to purchase only one decal instead of multiple decals.

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7. Revenue from non-motorized boat decals referenced in the bill would raise \$219,280 in new revenue each year [$\$5.00 \times (65,850 \times 0.74)$] except only 50 percent will be collected in FY 2004.
8. Total fiscal impact is \$238,697 in FY 2004 for the sum of motorized and non-motorized revenues (\$129,057 + \$109,640) and \$381,083 in FY 2005 (\$161,803 + 219,280). Since the effective date of the bill is January 1, 2004, only 50 percent of the revenue from non-motorized boats will be collected in FY 2004.
9. The cost of production, issuance and administration of non-motorized decals would be absorbed by the agency.
10. This bill would require an increased enforcement presence at numerous fishing access sites in the mainstream Flathead River System, Missouri River Corridor, Smith River Corridor and lake-based in regions one and four to enforce fishing access site fee rules and also reduce conflicts between resource users at access sites. This will require 0.50 FTE in FY 2004 and 1.00 FTE in FY 2005 (using multiple water safety wardens), personal services of \$19,031 in FY 2004 and \$37,979 in FY 2005 and operating expenses of \$5,669 in FY 2004 and \$11,420 in FY 2005 to be used for mileage, per diem, maintenance and supplies and materials related to enforcement activity at fishing access sites. One half of the activities will be eligible for federal coast guard match and the rest will be funded with state special revenue. Funding would be \$18,525 state special revenue and \$6,175 federal special revenue in FY 2004 and \$37,049 state special revenue and \$12,350 federal special revenue in FY 2005.
11. This bill also will require a \$25,000 per year increase to the department equipment budget in order to replace or add to the existing inventory of watercraft, funded with \$12,500 state special revenue and \$12,500 with federal special revenue.
12. The State Parks Division will use revenue generated by this bill to improve maintenance such as weed control, fencing, latrine pumping and other on-the-ground activities at fishing access sites and parks. This would be an additional \$58,792 in operations in FY 2004 and \$259,534 in FY 2005. Funds will only be expended following surveys and negotiated rulemaking under 2-5-1, MCA, as identified in the bill.
13. Decision Package 908 was approved for inclusion in HB 2 by the Joint Appropriations Subcommittee on Natural Resources and Commerce contingent upon passage of SB 287. It includes 1.00 FTE, personal services of \$52,169 in FY 2004 and \$52,000 in FY 2005 and \$20,000 in operating expenses each fiscal year, all funded with state special revenue.

Department of Justice

Program 12-Motor Vehicle Division

14. The Motor Vehicle Division in partnership with the county treasurers currently registers vessels as required under 23-2-512, MCA, and it is assumed the new and increased fees provided by this bill will be collected by the division and that there will be no fee charged to the FWP for this service.
15. The FWP will provide the required application forms to MVD to be distributed to the county treasurers and the public.
16. The Motor Vehicle Division currently manufactures the decals used for boats. The cost of materials to produce each of those decals is projected at \$0.0752 in FY 2004 and \$0.0852 in FY 2005. It is assumed FWP would reimburse MVD \$3,298 ($43,856 \text{ vessels} \times 1 \text{ decal} \times .0752$) in FY 2004 and \$3,737 ($43,856 \text{ vessels} \times 1 \text{ decal} \times .0852$) in FY 2005 for the decal materials.
17. Additional one-time operating expenses are approximately \$922 in FY 2004 to provide for programming to add the new fee for vessels powered by sail, oar or paddle, update the motor vehicle system to calculate the fees based upon a given boat type, and increase the fees for motorized vessels.

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Department of Revenue

18. Section 1 of this bill provides for a new fee of \$5, plus any service fee allowed in Section 1(3), for the application of a decal for a person who owns a vessel powered by paddle, oar, or sail that will be used on state waters, except as provided in Section 1 of this bill.
19. Revenue from the new \$5 fee is deposited in a state special revenue fund to the credit of Fish, Wildlife and Parks, as provided in Section 1(8) of this bill.
20. Under this proposal, the certificate of ownership fee for a motorboat, sailboat, or personal watercraft is increased by \$3.00 to \$6.50 as provided in Section 3 amending 23-2-512, MCA, of this bill.
21. Under current law and under this proposal the revenue from the fee provided in 23-2-512, MCA, is deposited directly in the state general fund. The Department of Revenue will continue to make a transfer from the general fund to the Department of Fish, Wildlife and Parks state special revenue fund as provided in 15-1-122(3)(c)(i), MCA.
22. Increasing the certificate of ownership fee (23-2-512, MCA) by \$3.00 will increase revenue going to the state general fund by \$133,741 in FY 2004 and by \$167,675 in FY 2005. The transfer payment to the state special revenue fund to the credit of FWP will increase by \$129,057 in FY 2004 and \$161,803 in FY 2005. The difference in the state general fund revenue impacts and the state special revenue fund to the credit of FWP impacts are due to the fact that the transfer payments to the FWP state special revenue fund are based on calendar year data, as provided for in 15-1-122, MCA.
23. The above impacts in assumption # 21 are calculated using a 2.4 percent annual growth rate on vehicles. The calendar year 2001 motor vehicle database is used as the base year in making the calculations in assumption 22.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Department of FWP Program 06		
FTE	1.50	2.00
<u>Expenditures:</u>		
Personal Services	\$71,200	\$89,979
Operating Expenses	84,461	290,954
Equipment	<u>25,000</u>	<u>25,000</u>
TOTAL	\$180,661	\$405,933
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$161,986	\$381,083
Federal Special Revenue (03)	<u>18,675</u>	<u>24,850</u>
TOTAL	\$180,661	\$405,933
<u>Revenues:</u>		
State Special Revenue (02)	\$238,697	\$381,083
Federal Special Revenue (03)	<u>18,675</u>	<u>24,850</u>
TOTAL	\$257,372	\$405,933

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FISCAL IMPACT: (continued)

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Department of Justice		
Program 12-Motor Vehicle Division		
<u>Expenditures:</u>		
Operating Expenses	\$4,220	\$3,737
<u>Funding of Expenditures:</u>		
General Fund (01)	\$922	\$0
State Special Revenue (02)	<u>3,298</u>	<u>3,737</u>
TOTAL	\$4,220	\$3,737
 Department of Revenue		
<u>Revenues:</u>		
General Fund (01)	\$133,741	\$167,675
SSR Transfer to FWP (02)	\$129,057	\$161,803
 Totals		
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$3,762	\$5,872
State Special Revenue (02)	\$76,711	\$0

LONG-RANGE IMPACTS:

This bill would increase funding for water based recreation and help redistribute the funding for water-based recreation across a broader spectrum of site users.